



Lassila & Tikanoja plc
10 February 2009
Jari Sarjo, President and CEO

Highlights of Q408

- Net sales EUR 153.1m (EUR 148.2m) +3.3% (yoy)
- Operating profit EUR 4.9m (EUR 12.1m); operating profit excluding non-recurring and imputed items EUR 8.6m (EUR 13.3m)
 - Organic growth continued in Property and Office Support Services and Industrial Services.
 - Strong decline in market prices and demand for secondary raw materials burdened the profitability of recycling services.
 - Raw material procurement of L&T Biowatti fell short of its targets due to forest industry production restrictions.
 - Non-recurring items burdened the operating profit by EUR 3.7m (net)

Highlights of Q408

Environmental Services; Operating profit EUR 6.0m (EUR 8.4m)

- Waste management reached its target thanks to satisfactory new sales and measures to boost production efficiency.
- Strong decline in market prices and demand for secondary raw materials decreased the net sales and profitability of recycling services.
- L&T Biowatti fell short of its targets due to forest industry production restrictions. Ramp up of wood pellet production in Luumäki and reforming of service organisation burdened profitability.
- Operations abroad developed positively particularly in Latvia as a result of lower production costs.

Highlights of Q408

Property and Office Support Services; operating profit EUR -2.0m (EUR 4.0m)

- Organic growth continued in Finland.
- Domestic operations reached their targets. Operating profit fell short of the comparison period due to higher social costs.
- Losses from operations in Sweden increased due to lost customers and lower net sales. Latvian and Russian operations developed positively.
- Non-recurring items: impairment loss for the goodwill of operations in Sweden (EUR -3.1m), divestment of operations in Norway (EUR -1.1m).

Highlights of Q408

Industrial Services; operating profit EUR 1.6m (EUR 0.2m)

- Net sales of all business lines increased.
- Rapid fluctuation in demand continued and adapting production to the changes remained difficult.
- Ramp up and storage costs of L&T Recoil burdened the profitability.
- Non-recurring items: Selling of oil derivatives (EUR +3.1m), discontinuance of loss-making soil washing services (EUR -2.6m).

Current issues

- 70-75% of net sales coming from low-cyclical markets
- L&T Biowatti launched new raw material procurement program
- Main emphasis on improving profitability
- Dividend proposal EUR 0.55 per share

Cyclicality of L&T's markets

LOW-CYCLICAL

Damage repair services	Service sales dependent on occurrence of damages	70-75% of net sales
Wastewater services	Wide customer portfolio with a great number of small customers. Drain systems crucial part of public infrastructure.	
Waste management	Over 200,000 customers, most of the net sales originate from long-term (2-5 years) contracts. Slowdown in economy may decline one-time orders and construction/commercial waste volumes.	
Property maintenance	Most of the net sales originate from long-term (2-3 years) contracts. Demand for additional services may decline in slowdown.	
Cleaning services	Most of the net sales originate from long-term (2-3 years) contracts. Demand for additional services may decline in slowdown.	
L&T Biowatti	Provides CO ₂ -free substitutes for fossile fuels such as peat, coal and oil. Demand and price level of wood-based biofuels are constantly increasing. Slowdown in pulp & paper industry may affect negatively raw material procurement.	
L&T Recoil (JV)	Steady demand for regenerated Group II level base oils. Market price fluctuations affect profitability.	

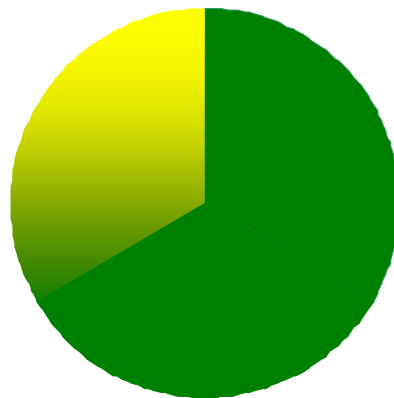
SEMI-CYCLICAL

Recycling services	Dependent on recyclable material volumes and market prices of raw materials	25-30% of net sales
Haz. waste services	Hazardous waste volumes dependent on activity level of heavy industry	
Industrial solutions	Most of the net sales originate from small number of big industrial customers. Services provided are crucial for the customer to be able to maintain its production capability.	

Cyclicality of L&T's markets

- Low-cyclical
- Semi-cyclical

Industrial solutions
Hazardous waste services
Recycling services



L&T Biowatti
L&T Recoil (JV)

Damage repair services
Wastewater services
Waste management
Property maintenance
Cleaning services



70-75% of business with low cyclicity

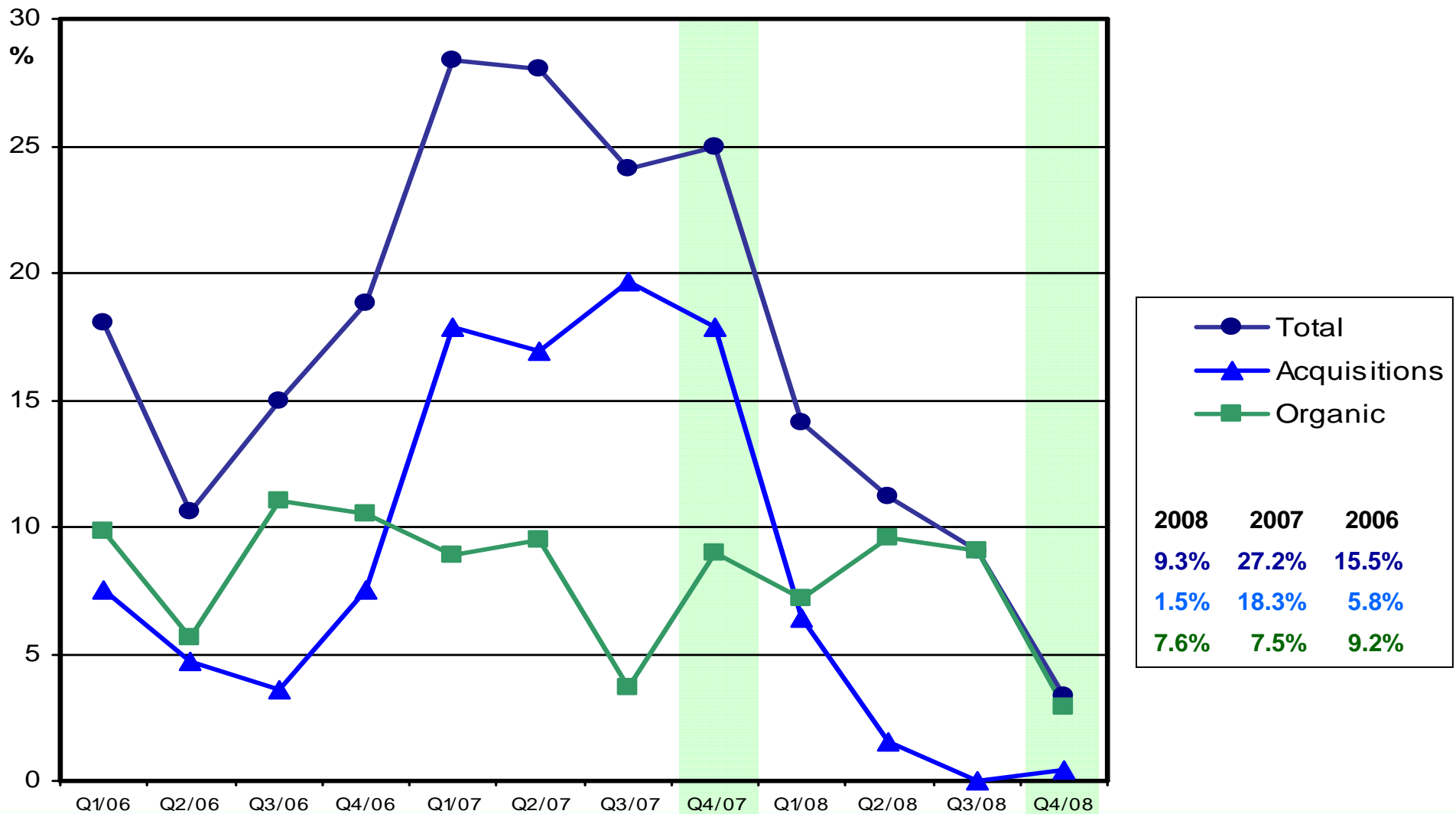
Financial summary

	Q408	Q407	Change %	Q1-Q4/2008	Q1-Q4/2007	Change %
Net sales, EUR million	153.1	148.2	3.3	606.0	554.6	9.3
Operating profit excluding non-recurring and imputed items, EUR million	8.6	13.3	-35.3	45.0	54.3	-17.1
Operating profit, EUR million	4.9	12.1	-59.7	55.5	48.8	13.8
Operating margin, %	3.2	8.2		9.2	8.8	
Profit before taxes, EUR million	3.5	10.9	-67.6	50.7	44.5	14.0
Earnings per share, EUR	0.04	0.20	-80.0	1.03	0.83	24.1
EVA, EUR million	-3.3	4.6		25.0	23.0	8.7

Net sales by division

EUR million	2008	2007	Change %
Environmental Services	300.1	279.8	7.2
Property and Office Support Services	227.6	204.1	11.5
Industrial Services	84.6	75.5	12.1
Group administration and other			
Inter-division net sales	-6.3	-4.9	
L&T total	606.0	554.6	9.3

Growth in net sales 2006 - 2008



Earnings by division

EUR million	2008	2007	Change %
Environmental Services	32.3	35.0	-7.8
Property and Office Support Services	5.5	11.0	-49.8
Industrial Services	5.6	4.8	17.9
Group administration and other	12.1	-2.0	
Total operating profit	55.5	48.8	13.8
Operating margin	9.2	8.8	

Key figures

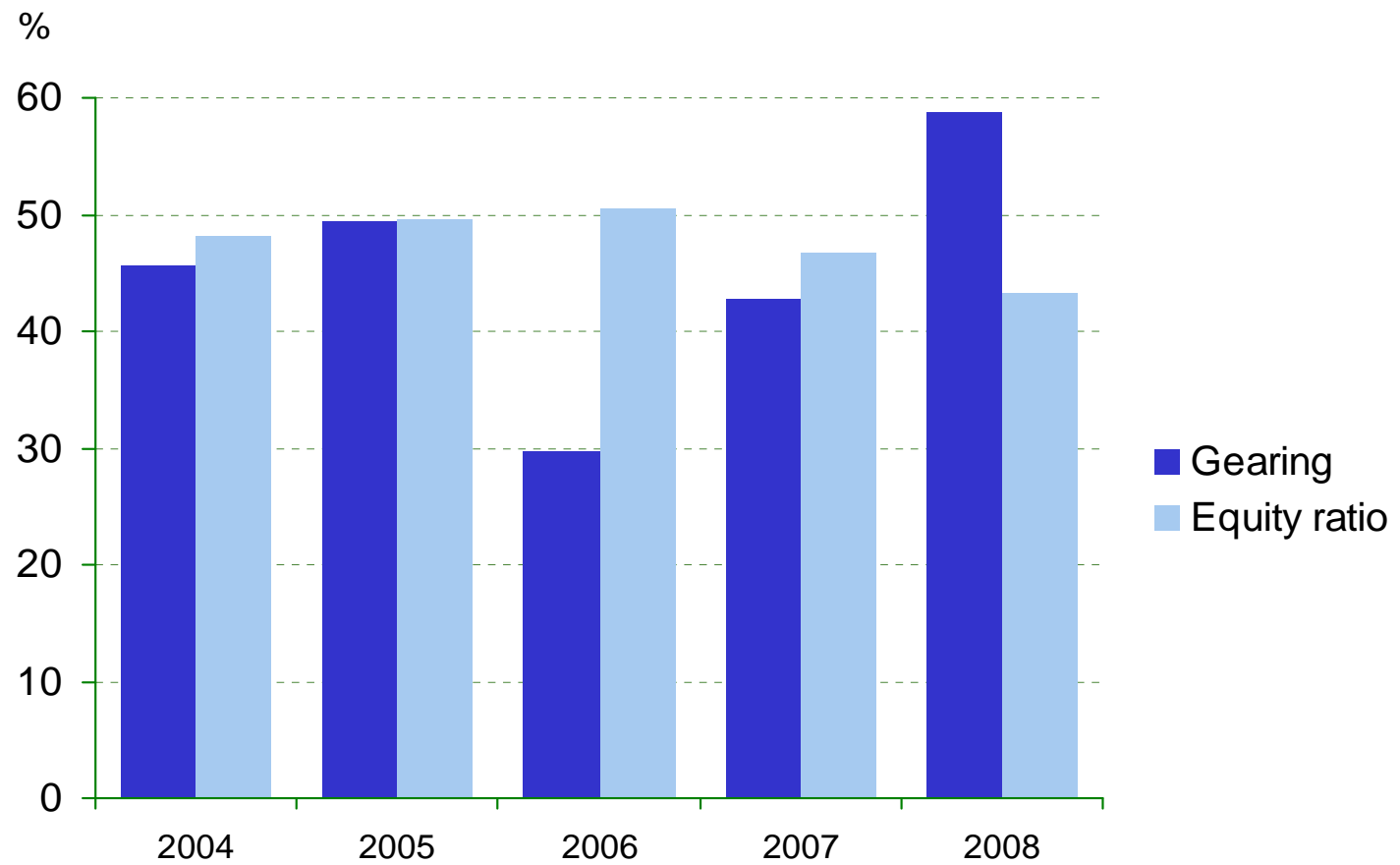
	Q408	Q407	2008	2007
Earnings per share, EUR	0.04	0.20	1.03	0.83
EVA, EUR million	-3.3	4.6	25.0	23.0
Capital expenditure, EUR million	32.0	15.5	84.2	93.2
Depreciation, amortisation and impairment, EUR million	12.9	8.9	41.0	33.4
Return on equity, % (ROE)			19.6	17.0
Return on invested capital, % (ROI)			17.1	17.6
Equity ratio, %			43.2	46.6
Gearing, %			58.8	42.7
Total number of full-time and part-time employees at end of period			9,490	9,387

Operating margin by division

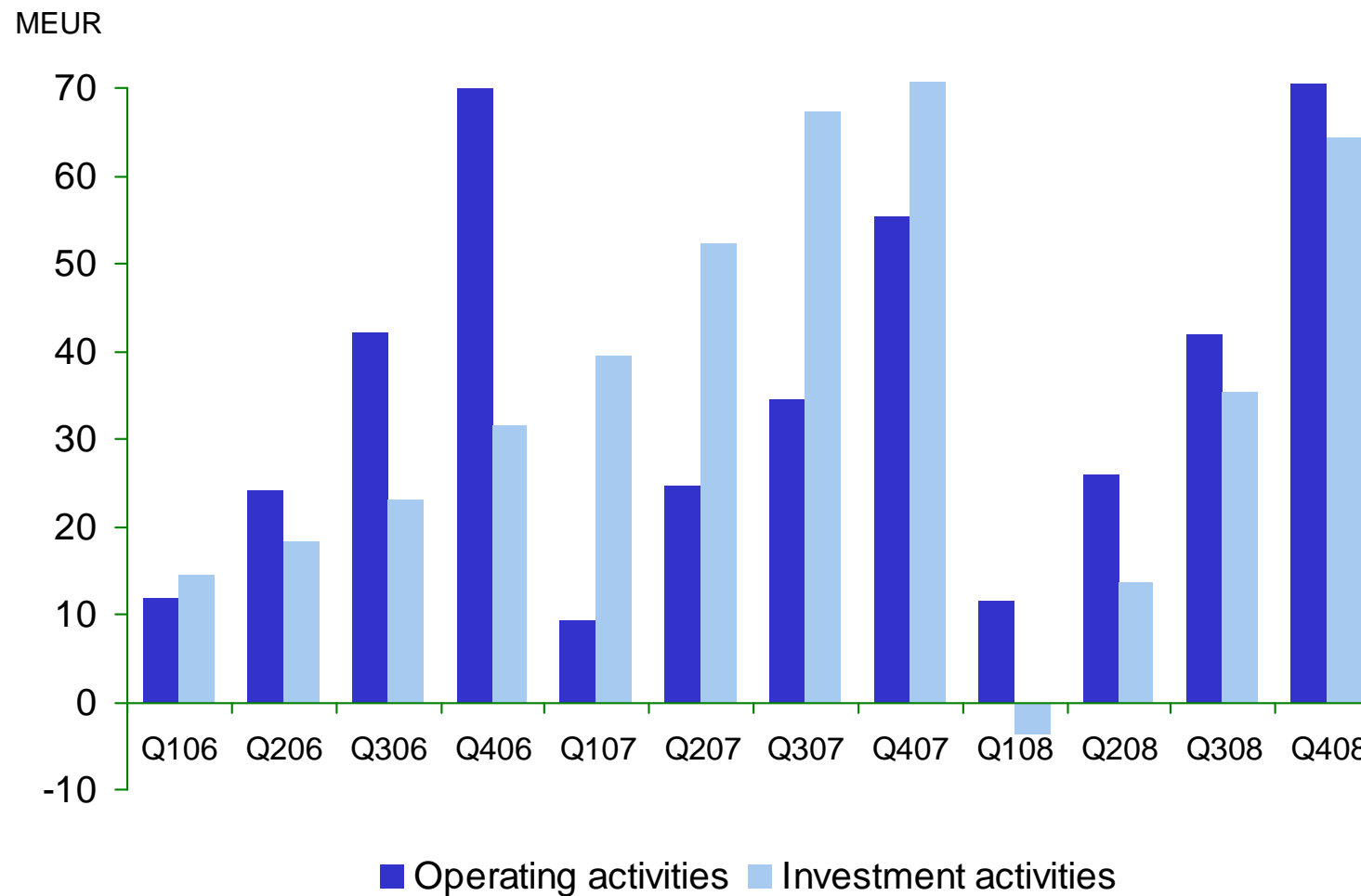
Quarterly figures

	Q408	Q308	Q208	Q108	Q1-Q4 07	Q407	Q307	Q207	Q107	Q1-Q4 06
Environmental Services	8.0	13.2	10.6	11.2	12.5	11.2	14.3	11.3	13.4	16.0
Property and Office Support Services	-3.5	8.5	2.0	2.9	5.4	7.3	8.1	3.5	2.2	5.2
Industrial Services	7.3	16.2	5.3	-5.1	6.3	0.9	10.7	13.3	-0.9	14.0
L&T total	3.2	11.6	6.6	15.5	8.8	8.2	11.2	8.7	7.1	11.5

Gearing and equity ratio



Operating cash flow, cumulative



Prospects for the year 2009

A recession is expected in the national economies of all countries in which L&T operates. The company primarily operates in low-cyclical markets.

In 2009, L&T will focus on improving profitability. In addition to the launched measures, a productivity enhancement programme is being planned to adapt operations and cost development to the market conditions. Investments will be much lower than last year.

Full-year net sales and operating profit excluding non-recurring items are expected to reach the previous year's level. This requires success in the adaptation of operations and costs.

This estimate was made in February 2009 and was included in the Financial Statements release.